OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI

DATE: 9/23/69

FROM : SAC, LOS ANGELES (46-NEW) (P)

SUBJECT: W. C. ("BUD") MORRISON;
AMERICAN MARC DIVISION OF EON CORPORATION
FAG
OO: Los Angeles

On 9/19/69, Mr. LLOYD W. HIGGINS, Salesman, Sonnet Supply Company, Hawthorne, California, advised SA VERNON G. BUEGLER that during a social meeting one evening a week ago, Mr. W. C. ("BUD") MORRISON, head of Quality Control, American Marc Division of Eon Corporation, Inglewood, California, mentioned to him, HIGGINS, that for five per cent of what additional business he could give to HIGGINS, he could and would see that orders placed with HIGGINS would be considerably increased in volume. HIGGINS said a considerable part of American Marc's business is comprised of government contracts.

Investigation being initiated.

REC- 62
MCT-37 N 46- 59316
EX.-113
22 SEP 26 1969

(2) - Bureau
2 - Los Angeles

VGB/jdb
(4)

5010-108

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (46-59316)

DATE: 10/13/69

FROM : SAC, LOS ANGELES (46-9916) (P)

SUBJECT: W. C. ("BUD") MORRISON;
ET AL
FAG
OO: Los Angeles

Re Bureau letter to Los Angeles 10/1/69.

On 10/10/69, a preliminary discussion concerning this matter was held with AUSA DAVID P. CURNOW, Los Angeles, California. Mr. CURNOW said he would consider prosecutive action [redacted] b5 Mr. CURNOW said it appears Section 51, Title 41, would be the applicable code citation.

Investigation contemplated by Los Angeles will include contact with Defense Contract Administration Services Region, Los Angeles, with a view toward determining the nature and extent of the contracts subject firm has with Government. Complainant will be recontacted to determine if there have been further overtures by subject, and ROBERT BURNS PENMAN, JR. is to be interviewed. He was present when subject mentioned the five per cent kickback which could result in increased business for complainant. If this investigation has not revealed any evidence of actual kickbacks, interview with subject himself will be conducted.

REC 8
ST 109 46-59316-2

14 OCT 17 1969

2 - Bureau
2 - Los Angeles

VGB/jdb
(4)

54 OCT 27 1969

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

5010-108

SAC, Los Angeles

October 1, 1969

REC-128

Director, FBI (46-59316) -1

EX-103

1 - Mr. Linnert

W. C. ("BUD") MORRISON
ET AL
FAG
OO: LOS ANGELES

Reurlet 9/23/69.

You should immediately discuss this matter with the USA for preliminary prosecutive opinion. If USA will consider prosecution, obtain applicable code citation and furnish to Bureau along with a brief outline of investigation contemplated by your office.

In the event such investigation is to be undertaken, initiate immediately and insure that a report is submitted at a very early date.

FCL/lrk
(4)

MAILED 24
OCT 1 - 1969
COMM-FBI

Tolson
DeLoach
Mohr
Bishop
Casper
Callahan
Conrad
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Gale
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Tele. Room
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MAIL ROOM ☑ TELETYPE UNIT ☐

FD-263 (Rev. 12-19-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
LOS ANGELES	LOS ANGELES	11/5/69	9/15/69 - 11/5/69

TITLE OF CASE	REPORT MADE BY	TYPED BY
W. C. ("BUD") MORRISON; American Marc Division of EON Corporation	VERNON G. BUEGLER	bjr
	CHARACTER OF CASE: FAG	

REFERENCE: Bureau letter to Los Angeles dated 10/1/69.

- P -

LEAD

LOS ANGELES

AT LOS ANGELES, CALIFORNIA: Discuss with AUSA before conducting further investigation.

ACCOMPLISHMENTS CLAIMED ☒ NONE						ACQUIT-TALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		PENDING OVER ONE YEAR ☐ YES ☒ NO PENDING PROSECUTION OVER SIX MONTHS ☐ YES ☒ NO

APPROVED: SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

46-59316-3

12 NOV 10 1969

REC-114

COPIES MADE:

4 - Bureau (46-59316)
1 - USA, Los Angeles
2 - Los Angeles (46-9916)

Dissemination Record of Attached Report				Notations
Agency	1-? DSA			
Request Recd.	2-RAO			
Date Fwd.				
How Fwd.				
By				

FC [illegible] 11/21/69

56 NOV 24 1969

COVER PAGE

GPO : 1968 O - 299-885

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Los Angeles

Report of: VERNON G. BUEGLER
Date: 11/5/69

Office: Los Angeles, California

Field Office File #: 46-9916

Bureau File #: 46-59380

Title: W. C. ("BUD") MORRISON;
American Marc Division of EON Corporation

Character: FRAUD AGAINST THE GOVERNMENT

Synopsis: A representative of Sonnet Supply Company, Hawthorne, California, advised that a representative of American Marc Division of EON Corporation, Inglewood, California, which firm has Government contracts, told the Sonnet representative that for a five percent kickback a considerably increased amount of business would be given to Sonnet. AUSA, Los Angeles, California, will consider prosecution if [redacted] b5

- P -

DETAILS:

This investigation was predicated on information received from the Sonnet Supply Company, Hawthorne, California, to the effect that one of Sonnet's salesmen had been approached by a Quality Control representative at the American Marc Division of the EON Corporation, Inglewood, California. The American Marc representative told the Sonnet salesman that for a five percent kickback a substantially increased amount of business would be awarded to Sonnet.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Los Angeles

Report of: VERNON G. BUEGLER
Date: 12/9/69

Office: Los Angeles, California

Field Office File #: 46-9916

Bureau File #: 46-59316

Title: W. C. ("BUD") MORRISON;
American Marc Division of EON Corporation

Character: FRAUD AGAINST THE GOVERNMENT

Synopsis: AUSA, Los Angeles, California, declined prosecution.

- C -

DETAILS: AT LOS ANGELES, CALIFORNIA

On December 8, 1969, this matter was discussed with Assistant United States Attorney DAVID P. CURNOW. Mr. CURNOW declined to authorize any prosecutive action in the matter.

b5

[redacted]

- 1* -

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GPO 864 214

HIGGINS said the discussion concerning this was ended at that point but he has the definite impression that although business between him and MORRISON can and will go on as it has in the past, he expects MORRISON to again bring up the increased business and the 5 percent kickback.

HIGGINS said the threat part of MORRISON's statements actually angered him so he, HIGGINS, reported the matter back to the officials at Sonnet Supply.

HIGGINS said MORRISON is in his late 40's. He is probably not over 5'9" in height and has a very rough appearing face, his face being quite pockmarked.

HIGGINS said he would immediately advise the FBI should he come into the possession of any additional information concerning this matter.

On October 16, 1969, this matter was discussed with Assistant United States Attorney DAVID P. CURNOW, Los Angeles, California. Mr. CURNOW said he would consider prosecutive action in the case if [redacted] b5 He suggested that HIGGINS recontact MORRISON and attempt to secure more details, and see if the proposition by MORRISON might be carried further, possibly toward some actual kickbacks. Mr. CURNOW said he did not think this would constitute entrapment, inasmuch as the action had been initiated by MORRISON, and HIGGINS would merely be following MORRISON's proposal.

On October 29, 1969, EDWARD HENRY, Small Business Office, Defense Supply Agency, Defense Contract Administration Services Region (DCASR), 1109 South La Cienega Boulevard, Los Angeles, was contacted by Supervisor HARRY A. KERLEY and SA VERNON G. BUEGLER. Mr. HENRY said records of his office reflect that American Marc has in the past had Government contracts with DCASR, but that current information concerning dealings with American Marc would have to be obtained from the office of the Administrative Contracting Officer handling American Marc, who is JAMES N. ARVANITIS. Mr. HENRY made inquiry and determined that Mr. ARVANITIS was away from his office on this occasion.

On November 4, 1969, Mr. ARVANITIS was contacted. He said that the Government does have a number of contracts with American Marc at the present time, amounting to several million dollars in total. Mr. ARVANITIS said considerable difficulty has recently been experienced with American Marc, in that the latter firm has not been meeting some if its contractual commitments. Mr. ARVANITIS said he has never heard of anything in the nature of solicited or actual kickbacks, however, on the part of American Marc or any of its representatives.

FD-302 (Rev. 4-15-64)

FEDERAL BUREAU OF INVESTIGATION

- 1

Date 11/5/69

Mr. LLOYD W. HIGGINS, Sales and Service Representative, Sonnet Supply Company, was recontacted. He said that he has had no further contact at American Marc Division of the EON Corporation, simply because he found the idea of the proffered kickback setup so repugnant that he has avoided going to Sonnet. As a result, the only business done since then with American Marc has been in the nature of repeat business, in response to mail or phone orders from them. Mr. HIGGINS said he might make note of one item of interest, though, which is that since his last contact with American Marc, the latter firm has made no payments against former sales to them, and all subsequent deliveries to them have been made on a Cash On Delivery basis.

Mr. HIGGINS said he would rather not recontact American Marc with a view toward accepting MORRISON's proposal, to try to get the increased business and effect some actual kickback to MORRISON. He said he just would rather not be involved in any such operation, unless it became an actual necessity.

On 11/4/69 at Hawthorne, California File # Los Angeles 46-9916

by SA VERNON G. BUEGLER/bjr Date dictated 11/5/69

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FD-263 (Rev. 12-19-67)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
LOS ANGELES	LOS ANGELES	12/9/69	12/8/69

TITLE OF CASE

W. C. ("BUD") MORRISON;
American Marc Division of EON Corporation

REPORT MADE BY: VERNON G. BUEGLER

TYPED BY: kll

CHARACTER OF CASE

FAG

REFERENCE: Report of SA VERNON G. BUEGLER, Los Angeles, 11/5/69.

- C -

ACCOMPLISHMENTS CLAIMED						ACQUITTALS
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES	

[X] NONE

CASE HAS BEEN:

PENDING OVER ONE YEAR [ ] YES [X] NO

PENDING PROSECUTION OVER SIX MONTHS [ ] YES [X] NO

APPROVED: SPECIAL AGENT IN CHARGE

COPIES MADE:

4 - Bureau (46-59316)
1 - USA, Los Angeles
1 - Los Angeles (46-9916)

DO NOT WRITE IN SPACES BELOW

46-59316-4

REC-28

10 DEC 15 1969

EX-102

Dissemination Record of Attached Report				
Agency	1-USA			
Request Recd.	2-RAD			
Date Fwd.				
How Fwd.				
By				

Notations

FCI 12/24/69

SAC STAT SECT.

51 DEC 29 1969

- A* -
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GPO : 1968 O - 299-885

FD-302 (Rev. 4-15-64)

FEDERAL BUREAU OF INVESTIGATION

Date 9/23/69

Pursuant to a previously made appointment, LLOYD W. HIGGINS, Sales and Service Representative, Sonnet Supply Company, was contacted at the offices of this firm at 11916 South Prairie Avenue, Hawthorne. Mr. HIGGINS voluntarily furnished the following information under oath:

He resides at 8410 Beckford Street, Northridge, California. He has been a salesman with Sonnet for the last two and three-quarters years. Since about August 1968, he has been doing business with one Mr. W. C. "BUD" MORRISON at the American Marc Division of the EON Corporation, Inglewood, California. MORRISON is in charge of Quality Control at American Marc and signs all requisitions and purchase orders. HIGGINS understands that a considerable amount of the business of American Marc is done under Government contract. American Marc is engaged in modifying Government vehicles, which is probably for the United States Army, and the company also supplies quantities of aircraft hinges, which HIGGINS believes is done under a subcontract to General Electric.

Sonnet Supply distributes and supplies tools and miscellaneous parts.

One evening about a week ago HIGGINS, MORRISON, and ROBERT BURNS PENMAN, JR., another customer of HIGGINS, were having a social drink after work. HIGGINS expressed his appreciation to MORRISON for the business the latter has given him during the past year or so. In reply, MORRISON stated in effect that if HIGGINS would be willing to give him say 5 percent of the amount of the business, he, MORRISON, could swing a great deal more business in HIGGINS' direction and make it very worth his while financially.

HIGGINS did not know what to say to this because he is personally opposed to the business of gratuities and kickbacks. MORRISON then went on to say in effect that if HIGGINS did not go along with such an arrangement, he, MORRISON, could cut him off without any business at all.

On 9/19/69 at Hawthorne, California File # Los Angeles 46-New

by SAA VERNON G. BUEGLER/lmt Date dictated 9/22/69

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